



# National Finance Center Customer Notification

**Date of Notification:** July 7, 2011

**Subject:** Direct Deposit Salary Payments

**Database/Customer(s) Affected:** All

**Dear Customer:**

The National Finance Center (NFC) processes payroll transactions for over 650,000 Federal employees bi-weekly. In rare instances, the bi-weekly Payroll schedule must be modified to meet the demands of our clients and ensure employees are paid during short payroll processing weeks. In recent months, it has become apparent that some employees believe that NFC is causing a delay in the movement of funds into their financial institutions when modifications occur. This communication provides information to Servicing Personnel Offices on our Payroll process that should be shared with Federal employees.

The official payment date of record with the Department of Treasury is the Thursday following NFC's bi-weekly payroll processing. In 1994, with Treasury's approval, to encourage employee participation in Direct Deposit, the settlement date on all Direct Deposit payments was moved to the Monday following the completion of the PAYROLL process, or Tuesday for those pay periods when Monday is an official Federal holiday. **Saturday is not the official payment date.**

In many instances, financial institutions place funds in an employee's account early and post them as "pending" or "memo posting" transactions with a settlement date of Monday. This early posting to personal bank accounts is a courtesy by some, but not all, financial institutions. NFC clients should not rely on their financial institution providing a courtesy "memo post" of their Direct Deposit salary payment on Saturday. **The first business day after Payroll processing weekend is the actual payment date for direct deposit transactions. By regulation, financial institutions are not obligated to post funds earlier than the actual payment date.**

NFC is committed to processing salary payments for our clients on time. It is with great pride that we have been successful in achieving this service level objective for the past 38 consecutive years. We thank you for granting us the opportunity to provide you with quality payroll and personnel services and ask that you distribute this information to all employees who may be affected by this situation.

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## "Tip of the Week"

Agencies are reminded to provide NFC with an updated Emergency T&A Transmission Authorization Letter. This ensures NFC follows your requested instructions in the event of an emergency which would prevent the transmission of T&A data to NFC.

**Federal employees with questions concerning this notification should contact their Servicing Personnel Office.** Authorized agency representatives with questions concerning this notification should contact NFC's Client Management Branch at [Customer.Support@nfc.usda.gov](mailto:Customer.Support@nfc.usda.gov).

JKC/M6-11-074

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